

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2505 - SB 2619

February 28, 2022

SUMMARY OF BILL: Beginning July 1, 2022, increases the amount of weekly unemployment compensation for an eligible claimant, from the greater of \$50 or 25 percent of the claimant's weekly benefit amount, to \$200. Prohibits a claimant from receiving any weekly unemployment compensation benefit if such claimant worked for more than 18 hours in such week.

FISCAL IMPACT:

Increase State Expenditures – \$250,000/FY22-23/General Fund
Exceeds \$10,000,000/FY22-23 and Subsequent Years/
Unemployment Trust Fund

Assumptions:

- The DLWD will be required to work with their systems vendor for system modifications, resulting in a one-time increase of state expenditures of \$250,000 to the General Fund in FY22-23.
- This legislation will result in an increase in unemployment benefits provided to eligible claimants.
- The number of claimants this legislation will impact and the average increase in payments to such claimants are both unknown.
- Based on information from the Department of Labor and Workforce Development (DLWD), the Department was unable to estimate the impact of this legislation upon the Unemployment Insurance Trust Fund.
- The impact upon the Unemployment Insurance Trust Fund cannot be determined with exact specificity, but is reasonably estimated to exceeds \$10,000,000.
- Should the increase in expenditures from the Unemployment Insurance Trust Fund prove substantive enough, unemployment insurance tax rates would increase to keep the Fund's balance at an adequate level; however, it is estimated that this legislation will not solely and directly require an increase in such tax rates.

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IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumptions:

- Should the increase in expenditures from the Unemployment Insurance Trust Fund prove substantive enough, unemployment insurance tax rates would increase to keep the Fund's balance at an adequate level; however, it is estimated that this legislation will not solely and directly require an increase in such tax rates.
- No significant impact to commerce or jobs in this state.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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